APPENDIX

Statutory Provisions

Constitution:

Fifth Amendment

No person shall be held * * *; nor shall private property be taken for public use, without just compensation.

Federal:

The Organic Act for Puerto Rico, Act of March 2, 1917, c. 145, 39 Stat. 951:

Section 3.—(*As amended by Act of Congress, approved August 26, 1937.*)—That no export duties shall be levied or collected on exports from Puerto Rico, but taxes and assessments on property, income taxes, internal revenue, and license fees, and royalties for franchises, privileges, and concessions may be imposed for the purposes of the insular and municipal governments, respectively, as may be provided and defined by the Legislature of Puerto Rico; and when necessary to anticipate taxes and revenues, bonds and other obligations may be issued by Puerto Rico or any municipal government therein as may be provided by law, and to protect the public credit: *Provided, however,* That no public indebtedness of Puerto Rico and the municipalities of San Juan, Ponce and Mayaguez shall be allowed in excess of 10 per centum of the aggregate tax valuation of its property, and no public indebtedness of any other subdivision or municipality of Puerto Rico shall hereafter be allowed in excess of 5 per centum of the aggregate tax valuation of the property in any such subdivision or municipality, and all bonds issued by the government of Puerto Rico, or by its authority, shall be exempt from taxation by the Government of the United States, or by the government of Puerto Rico or of any political or municipal subdivision thereof, or by and State, Territory, or possession, or by any county, municipality, or other municipal subdivision of any State, Territory, or possession of the United States or by the District of Columbia. In computing the indebtedness of the people of Puerto Rico, municipal bonds for the payment of

interest and principal of which the good faith of the people of Puerto Rico has heretofore been pledged and bonds issued by the people of Puerto Rico secured by bonds to an equivalent amount of bonds of municipal corporations or school boards of Puerto Rico shall not be counted, but all bonds hereafter issued by any municipality or subdivision within the 5 per centum hereby authorized for which the good faith of the people of Puerto Rico is pledged shall be counted. * * *

Section 25—That all local legislative powers in Porto Rico, except as herein otherwise provided, shall be vested in a Legislature * * * designated "the Legislature of Porto Rico".

Section 37.—That the legislative authority herein provided shall extend to all matters of a legislative character not locally inapplicable, * * *.

PUERTO RICO:

Act No. 59, approved June 18, 1919; Laws of 1919, pp. 320-328.

AN ACT

To authorize the issuance by the Insular Government of Porto Rico of Bonds for an amount not exceeding three million (3,000,000) dollars, and for other purposes.

Be it enacted by the Legislature of Porto Rico:

Section 1.—For the purpose of providing funds sufficient for the construction of a system of irrigation in Porto Rico for the district lying approximately between the Guajataca river on the east and the town of Aguadilla on the west, as provided for in the act entitled the "Isabela Public Irrigation Law," and for the purpose of advancing the funds provided by the aforesaid act, the Treasurer of Porto Rico is hereby authorized, empowered and directed to issue bonds of The People of Porto Rico to an amount not exceeding three million (3,000,000) dollars.

Section 2.—Should the proceeds of the special assessment as provided for in the act above mentioned (section 29), be insufficient in any year to meet the entire amount of the payment of the principal on outstanding bonds falling due that year in addition to the other necessary payments, as provided in the aforesaid act, then the Treasurer of Porto Rico may, with the approval of the Governor, further issue refunding bonds to the amount necessary to pay the principal falling due during the said year, less the amount of thirty thousand (30,000) dollars assessable under the provisions of the aforesaid act (section 29); *And provided, further,* That should no tax be paid on lands in the temporary or permanent irrigation district during any year as provided for in sections 24 and 29 of the above-mentioned act, or should the amount received from taxes upon the lands in the said district be so reduced because of the operation of the said sections as to require it, then the Treasurer of Porto Rico may, with the approval of the Governor, issue such additional bonds as may be necessary to cover all expenses and to meet all the obligations of the irrigation system for the said year; *Provided,* That the total amount of such additional bonds, issued to cover expenses and to meet obligations of the irrigation system during any year or years in which in accordance with the provisions of sections 24 and 29 of the aforesaid act, no tax is paid on lands in the said irrigation district, in which the amount received from taxes is insufficient to meet the said expenses and obligations of the irrigation system, shall not at any time exceed the total amount of irrigation bonds previously authorized.

Section 3.—The said bonds shall be sold on such terms as are most favorable to The People of Porto Rico and at such times and in such amounts as the Treasurer of Porto Rico may, with the approval of the Governor, determine.

Section 4.—The said bonds may be in coupon or registered form or both, and the coupon bonds may be made exchangeable for registered bonds under such regulations as may be prescribed thereon. The bonds may be in any or all of the following denominations:

One thousand (1,000) dollars, five thousand (5,000) dollars, ten thousand (10,000) dollars. They shall bear interest at a rate not to exceed four and one-half (4½) per cent per annum, which interest shall be payable semi-annually on the first day of each January and July. The bonds shall be divided into series for payment. The series shall be indicated by a serial letter on each bond, and they shall be redeemable and payable as follows:

The said bonds shall mature in the order of their issuance. Seventy-five thousand (75,000) dollars thereof shall mature on January 1, 1925, and an equal amount on the first day of each succeeding year thereafter until the full amount shall have been paid; but any or all of the said bonds maturing after January 1, 1935, may be redeemed at the option of The People of Porto Rico, on or after January 1, 1935, on any interest-paying day, at five per cent above par, and interest accrued thereon, by giving six months' notice in such manner as may be prescribed by the Treasurer of Porto Rico. In case of partial redemption the bonds to be redeemed shall be determined pursuant to such method as the Treasurer of Porto Rico may prescribe. Both principal and interest shall be payable either at the Treasury of the United States or in Porto Rico at the office of the Treasury of Porto Rico, or at the office of the fiscal agent of the Government of Porto Rico, appointed therefor in the United States, as the Treasurer of Porto Rico may, with the approval of the Governor, determine in gold coin of the United States of the present standard of weight and fineness.

Section 5.— The said bonds may be sold by the Secretary of War of the United States or by the Treasurer of Porto Rico or by any fiscal agent appointed for that purpose by the Treasurer of Porto Rico, with the approval of the Governor of Porto Rico, upon such terms as are most favorable to The People of Porto Rico and as near to the dates of their issuance as is practicable. The proceeds from their sale shall be deposited with an authorized depositary of the Government of Porto Rico to be designated by the Treasurer of Porto Rico.

The Treasurer of Porto Rico, with the approval of the Governor, shall have entire charge and authority within the limitations herein prescribed, in respect to

all matters relating to the said bonds, including the terms and denominations thereof, the manner, time and method of the issue and sale thereof, subject to the limitations herein provided and shall take all action necessary for the complete carrying out of the provisions of this Act, and may provide for the issuance, pending the preparation of definitive bonds, of interim bonds or certificates.

Section 6.—That in accordance with the provisions of Section 3 of the Act of Congress entitled "An Act to provide a civil government for Porto Rico, and for other purposes," approved the second day of March, nineteen hundred and seventeen, the bonds herein authorized to be issued shall be exempt from taxation by the Government of the United States, or by the Government of Porto Rico or of any political or municipal subdivision thereof, or by any State, or by any county, municipality or other municipal subdivision of any State or Territory of the United States, or by the District of Columbia.

Section 7.—The proceeds of the sale of said bonds shall be devoted to the construction of the system of irrigation provided for by and in accordance with the terms of the Act of the Legislature, entitled the "Isabela Public Irrigation Law," and for the payment of the interest on the said bonds during the period of construction and for the payment of operation and maintenance of the aforesaid irrigation system, until such time as the funds necessary for these purposes may be produced from the taxes levied as hereinbefore provided. The expense of the construction of said irrigation system shall include all of the cost of the preliminary surveys made in the determination of the final plans for the system; and any work performed under the provisions of the special appropriation from Insular revenues, which by the terms thereof are repayable to Insular revenues, and all expenses and payments of whatever nature incurred under the provisions of the acts above mentioned.

Section 8.—That for the payment of the interest on the said bonds, as it falls due, and the payment of the principal, the good faith of The People of Porto Rico is hereby irrevocably pledged; and to the payment of the said interest and principal of the said bonds there

shall be devoted the revenues derived from assessments levied upon the lands included in the district as provided in the Isabela Public Irrigation Law.

The foregoing provisions regarding the payment of interest on the said bonds and the payment of the principal, shall be deemed to be in the nature of a continuous appropriation and be sufficient authorization to the Treasurer of Porto Rico to make such payments, and no further appropriation for such purpose shall be required. Such payments, however, shall be made upon the warrants of the Auditor of Porto Rico, countersigned by the Governor of Porto Rico, in accordance with the law. The bonds herein authorized to be issued and the obligations thereby created, shall not be impaired by any act or resolution of the Legislature of Porto Rico subsequently approved, or by any interpretation of any act or growing out of the development of the irrigation system herein issued and sold, shall constitute a legal and binding obligation of the Government of Porto Rico until duly redeemed and paid.

Section 9.—The legal and beneficial title to all property acquired by grant, judicial proceedings, purchase, construction or from any other source and of every character in any way connected with or growing out of the development of the irrigation system herein contemplated, shall be in The People of Porto Rico for the full period of time in which The People of Porto Rico shall under the terms of this Act be liable, and the credit of The People of Porto Rico pledged for the payment of the bonds, or any part thereof or of the interest thereon. Upon the cancellation and redemption of the last of said bonds, and the extinction of the liability of The People of Porto Rico thereon and in perpetuity thereafter, the legal title to everything appertaining to said irrigation system shall continue to be in The People of Porto Rico; but the same shall be held in trust for the benefit of the owners of the lands upon which is imposed by law the burden of paying for the benefits conferred by said irrigation system, and of the successors in title of said lands, the purpose and object of this provision being that The People of Porto Rico shall be secured at all times while their credit is so pledged up to the time of extinction of all liability as aforesaid; *Provided, however,*

That any water power or plant developed in the manner provided in the act hereinbefore mentioned in connection with the construction of said irrigation system shall be governed as to permanent ownership thereof by the provisions of said act.

Section 10.—All laws and parts of laws in conflict herewith are hereby repealed.

Section 11.—That this Act shall take effect ninety days after its approval.

Act No. 63, approved June 19, 1919; Laws of 1919, pp. 348-396.

AN ACT

Providing for the construction of an irrigation system in the vicinity of Isabela and Aguadilla; for the formation of a temporary and permanent irrigation district, and revenues derived therefrom; for the temporary appropriation of two hundred thousand (200,000) dollars to begin such work, and for other purposes.

Be it enacted by the Legislature of Porto Rico:

Section 1.—The sum of two hundred thousand (200,000) dollars, or so much thereof as may be necessary, is hereby appropriated out of any money in the Treasury not otherwise appropriated for the purpose of carrying to completion the preparation of plans and specifications for the construction of an irrigation system for the district situated approximately between the Guajataca river on the east and the town of Aguadilla on the west, including the irrigable lands in the municipalities of Isabela, Moca and Aguadilla, and for the commencement and prosecution of the work of construction thereof, and expenses connected therewith until such time as sufficient funds shall be available in the Treasury from the sale of the bonds provided for such purpose by legislative enactment.

Section 2.—So much of the said amount of two hundred thousand (200,000) dollars herein appropriated as shall have been paid out or contracted to be paid out under said appropriation, shall be repaid into the Treasury of Porto Rico with interest at four (4) per

cent out of the funds coming into the hands of the Treasurer from the sale of bonds hereinbefore mentioned, which said sums shall be charged to the account of said irrigation project to be treated as a component part thereof, so that the same may be included in the plan provided by law for the repayment by assessment and collection of taxes upon the lands benefited as herein provided.

Section 3.—The proceeds of the sale of the bonds and all moneys accruing by reason of assessments of taxes and sale of water and power within the temporary and permanent irrigation districts hereinafter provided for, shall, subject to the provisions of section 34 of this Act, be deposited in the Treasury of Porto Rico, in a trust fund to be known as the "Isabela Irrigation Fund," which fund may be subdivided for statistical purposes as the Auditor may prescribe.

All expenditures for the construction and maintenance of the irrigation system, and all payments of interest and principal of any debt incurred for the construction of the said system, shall be payable from the said trust fund, and such payments and disbursements shall be made by the Treasurer in accordance with law.

Section 4.—This Act shall not take effect until the Commissioner of the Interior shall submit to the Executive Council of Porto Rico satisfactory evidence that the owners of at least ten thousand (10,000) acres of irrigable lands situated in the municipalities of Isabela, Aguadilla and Moca, have signified their consent to have such lands included in the irrigation districts provided by this Act, and that at least two-thirds of the landholders affected by this Act have given their consent to the levying of the special tax imposed hereunder. The Commissioner of the Interior shall then proceed to the completion of the plans and specifications, attaching thereto a descriptive memorial of the works and showing and justifying, in full, all necessary work to be done and expenses to be incurred in the construction of the said irrigation system, and shall submit the same to the Director of the United States Reclamation Service, but in the event of his inability to so act, to one or more engineers selected by him; *Provided,* That the said director or the en-

gineer or engineers selected by him shall transmit a general specific report to the Governor of Porto Rico touching all matters contained in the memorial and plans and specifications of the Commissioner of the Interior. And the Governor, immediately upon the receipt of said report, shall submit the same for approval to a joint commission to consist of three members of the Senate elected by it and of three members elected by the House from among its own members.

Section 5.—The Commissioner of the Interior is hereby authorized to employ a competent irrigation engineer, and such assistants as may be necessary.

Section 6.—Upon the approval of the plans the Commissioner of the Interior shall proceed with the construction of the work either by contract or by administration, or in part by contract and in part by administration, whichever may in his judgment best serve the interest of The People of Porto Rico. In case that the Commissioner of the Interior should decided that the work either as a whole or in part should be done by contract, he shall provide for letting the construction of the work, or parts thereof, either as a whole or in parts. The said contract or contracts shall be awarded after due call for bids, advertised both in the Island of Porto Rico and the United States; *Provided, however,* That the Commissioner of the Interior reserve the right to reject any or all bids.

Section 11.—Upon the completion of the whole or any part of the irrigation system, the Commissioner of the Interior shall provide for its maintenance and administration and shall make and award all necessary contracts and make the necessary by-laws, rules and regulations for patroling and for the disposition and delivery of the water in the temporary and permanent irrigation districts.

Section 28.—In the determination of what lands are to be included in the said permanent irrigation district, the decision of the said Irrigation Commission shall be considered *prima facie* true and correct. Any person or persons, however, including The People of Porto Rico, claiming to be aggrieved by any decision of the said Irrigation Commission as to the inclusion or exclusion of any land in or from the said permanent irrigation district, shall have ninety days, and no

longer, from and after the date of the beginning of the permanent irrigation district, as hereinbefore provided, within which time to file in the office of the secretary of the District Court of San Juan a statement of the facts upon which such grievance is based. The District Court of San Juan shall set a time, as soon as may be thereafter, for a general hearing upon all of the questions of such grievances in one proceeding, and shall hear all such complaints filed in such court, respectively, together in one proceeding. The parties so claiming to have been aggrieved shall have the right, as in any ordinary civil proceeding, to procure the attendance of witnesses, and on behalf of The People of Porto Rico the Commissioner of the Interior shall have the same right. The district court shall hear and determine the matters so presented and give judgment as in a civil action, confirming, modifying or reversing the findings of the Irrigation Commission thereon. From the judgment so entered by the district court appeals shall lie to the Supreme Court of Porto Rico for the reviewing of those controversies in which the parties claiming to be aggrieved by the judgment of the said district court shall have given notice within thirty days after the filing of judgment therein that they appeal therefrom. Such an appeal may be taken by The People of Porto Rico and by any one or more of the complainants whose grievances were determined by the said district court. In case there is more than one appeal from the said district court, the said Supreme Court shall consolidate and hear the same as a single appeal. The said Supreme Court shall render final and conclusive judgment upon all of the said controversies; in the said appeals any of the parties affected by said judgments, including The People of Porto Rico, shall be entitled to be heard for the purpose of securing a revision by the said Supreme Court of the judgment of the said district court for error of law or finding of fact, the said hearings in the said district court and the said appeals to the said Supreme Court to be in the nature of a special proceeding in which the said courts, respectively, shall hear and determine the controversies of the various parties without formality and upon such special rules of pro-

cedure as shall be provided and fixed by the said courts, respectively, and the said courts shall give public notice of the dates upon which hearings are to be held, at least thirty days in advance of the dates thereof. The appeals to the said Supreme Court shall be deemed emergency matters which shall have preference on the calendar of the said Supreme Court over all other controversies whatsoever except appeals, pending in felony cases; in the matter of notice, record and all other features of the said procedure, the said Supreme Court shall adopt such rules and regulations as it shall deem sufficient to do substantial justice to all the parties concerned, and the said Supreme Court may call for additional testimony or evidence whenever in its opinion the same is necessary to enable the said Supreme Court properly to review any finding of fact. At any time up to within fifteen days of the date set for the hearing of such appeals in the said district court or in the said Supreme Court, the owner or owners of land, or The People of Porto Rico, shall have a right to join in and be heard upon such appeal, and any owner of land, or The People of Porto Rico, shall have a right to take an appeal from the decision of the said district court whether or not they were parties to the appeal in the said district court, and any person so becoming a party to an appeal or appealing shall have the right to have the question of their continued inclusion in or exclusion from the permanent irrigation district determined in any such proceedings, as well as to contest the exclusion or inclusion of land of others involved in the appeal.

Section 29.—The amount that shall be assessed and levied upon a given tract of land included in the permanent irrigation district shall be determined as follows:

The Treasurer of Porto Rico shall calculate the amount of the interest and principal or sinking fund due upon outstanding irrigation bonds for the ensuing fiscal year, and shall add thereto the amount estimated and certified as estimated to him by the Commissioner of the Interior for the cost of operation and maintenance of the irrigation system for the said en-

suing fiscal year. He shall then either add to or subtract from the amount so obtained the estimated amount of any deficit or surplus, as the case may be, existing in connection with the Irrigation Fund from the operations of the current fiscal year. From this amount he shall subtract the amount estimated and certified as estimated to him by the Commissioner of the Interior as the receipts for the ensuing fiscal year from any water power developed in connection with the irrigation system (until such time as the total bonded indebtedness incurred on account of the irrigation system shall have been paid in full); and the amount estimated and certified as estimated to him by the Commissioner of the Interior as receipts for the ensuing fiscal year from any of the sources except from the issues of bonds and from special assessments herein provided for to be levied upon the land in the permanent irrigation district. To the amount so determined the Treasurer shall add an amount equivalent to two (2) per centum of the total as a margin of safety for delayed collections, and the amount thus determined by the Treasurer of Porto Rico, subject to the limitations and provisions hereinafter set forth, shall be and constitute the total sum assessed for the said fiscal year, and the same shall be levied upon the lands at the time included in the permanent irrigation district (including any lands owned by The People of Porto Rico which form part of the said district, which lands shall be liable for and pay taxes levied hereunder in the same manner as the other lands included in the said irrigation district); *Provided, however,* That no deficit shall be carried over from the temporary irrigation district to the permanent irrigation district; *Provided, further, however,* That if any portion of the principal of any bonds falling due in any year cannot be paid under an assessment levied according to the provisions of this Section, then the amount which cannot so be paid and for the refunding of which provision is hereinafter made, shall not be deemed a deficit in any subsequent year; *And provided, further,* That prior to the certifying by the Commissioner of the Interior of the amount thus estimated by him as receipts

from water power the Commissioner of the Interior, if in his judgment it is advisable, shall deduct from the amount thus estimated by him a sum not to exceed twenty-five (25) per cent of the said amount for the development and extension of the said water power.

No tract of land included in the permanent irrigation district shall pay any tax until it shall have received or have been offered water from the irrigation system for a period of twelve months (said water to have been received after the inclusion of the said land in the temporary irrigation district), or, if the said land is first included in the permanent irrigation district, after the said inclusion but thereafter the said tract of land shall be liable at the regular assessment dates as would have been the case had all the lands in the permanent irrigation district been assessed under the provisions of this Section; *Provided,* That the said tract of land shall pay a tax for the portion of the half year (either fiscal or calendar as the case may be), if any remaining after the completion of the said period of twelve months, for which no taxes are paid in accordance with the foregoing provisions, and the tax due for any such portion of a half year shall be payable upon the first of the month succeeding the completion of the said period of twelve months for which no taxes are paid in accordance with the foregoing provisions.

Assessments under the foregoing provisions shall be made upon each particular tract of land in the proportion that the area of such tract of land bears to the whole number of acres included in the said permanent irrigation district. The amounts resulting from such computation, or if such amounts exceed the amount which can be assessed under the provisions hereof, then such maximum amount as may be assessed under the said provisions, shall be extended upon the taxroll for the different tracts at the time comprising the permanent irrigation district. The tax-roll so extended shall be completed by the Treasurer of Porto Rico on or before the first day of July of each year, and is hereby imposed as a charge upon the said lands (but not as a personal liability upon the owners thereof) in favor of The People of Porto Rico, and shall con-

stitute a tax the lien of which shall be superior and prior in law to any right, claim or lien of any other nature, save and except the general taxes of Porto Rico as provided by law, and the same shall become due and Treasurer of Porto Rico shall proceed to the collection thereof, and to the embargo and sale of the land to enforce payment, in the manner and at the time now or hereafter provided by law for the collection and enforcement of other real property taxes except that in the case of taxes assessed for a period of less than six months as hereinbefore provided the said taxes shall be assessed, levied and collected as hereinbefore provided; *Provided, however,* That anything hereinbefore contained to the contrary notwithstanding, (1) the tax on said land shall be at a rate of not to exceed twelve (12) dollars per acre per annum for the period, if any, between the beginning of the permanent irrigation district and the beginning of the subsequent half year (fiscal or calendar, as the case may be); (2) in case any assessment for any fiscal year determined as above provided shall amount to more than fifteen (15) dollars per acre per annum, then the assessment for such fiscal year shall exceed fifteen (15) dollars per acre per annum only to the extent that it is necessary that the assessment should exceed the said rate in order to provide for the payment of interest, operation and maintenance, the deficit of the preceding year, if any; (*Provided, however,* That no deficit shall be carried over from the temporary irrigation district to the permanent irrigation district), and the two (2) per centum margin of safety provided for above, plus thirty thousand (30,000) dollars for the payment of the principal of bonds falling due in the said fiscal year, less the surplus, if any, of the preceding year and any receipts as income from other sources, as above provided; and (3) that no tax for the payment of any amount for interest and principal due upon outstanding irrigation bonds for any fiscal year, assessed as above provided shall be paid on any tract of land which has received or has been offered, prior to the date for payment of the said tax, water from the irrigation system for more than one full fiscal year, unless the said tract of land shall have

received or shall have been offered, during the preceding fiscal year, water from the irrigation system, as shown by the records of the Department of the Interior, to the amount of at least one acre-foot per acre during the first six months thereof and at least one acre-foot per acre during the second six months thereof; *Provided, further,* That when in the above case the said tax is due upon the first of July terminating the fiscal year to which the above test is to be applied, then the said land shall pay the aforesaid taxes as if it had received or had been offered water from the irrigation sytem during the first six months of the said fiscal year, to the amount of at least one acre-foot per acre; *Provided, further,* That no tax for the payment of any amount for interest and principal due upon outstanding irrigation bonds for any fiscal year, assessed as above provided, shall be paid on any tract of land which has not, prior to the date for payment of the said tax, received or been offered water from the irrigation system for more than one full fiscal year, unless said tract of land shall have received or shall have been offered water from the irrigation system as shown by the records of the Department of the Interior to the amount of at least one acre-foot per acre during the next preceding half year (either calendar or fiscal) ending more than one month prior to the date of the said payment; *Provided, further, however,* That the foregoing exceptions from the payment of taxes conditioned upon the receipt by, or the offering to, the lands within the irrigation district of a certain amount of water from the irrigation system shall cease to be operative and effective at such time after the beginning of the permanent irrigation district as the Commissioner of the Interior shall certify to the Treasurer of Porto Rico that each and every fundamental integral part of the said irrigation system has been constructed.

The amount which may be included in the assessment for any one fiscal year for the payment of the principal of the bonds shall not exceed seventy-five (75,000) dollars.

Section 32.—Each tract of land shall be made liable only for its proportionate share of taxes determined

as herein provided. In case any tract of land shall become subdivided, each subdivision shall be liable only for the proportionate amount of taxes thereafter assessable on it, considered as a separate tract.

Prior to the beginning of the temporary irrigation district, as provided herein, the Commissioner of the Interior is hereby authorized and empowered to enter into contracts with any land owner or lessee for the sale of water from the irrigation system and the proceeds from the sale of such water shall be covered into the Isabela Irrigation Fund; *Provided, however,* That such contract or contracts shall terminate upon the date of the beginning of the said temporary irrigation district.

Section 33.—The amount of water which shall be set as a standard for the establishment of both the temporary and permanent irrigation districts shall be four acre-feet per acre per annum, the said standard to be applied on the basis of fair average years; *Provided, however,* That should it appear at any time after the establishment of the district that the supply of water is insufficient to furnish to each acre in the said districts the full standard amount of four acre-feet, then each acre in the said district shall receive its proportionate share of the amount available.

Section 34.—That the right to use the water of the said irrigation system shall be inalienably appurtenant to the lands included in the temporary or permanent irrigation district, and shall pass with the title to the said lands or to any part thereof, to all subsequent owners thereof, and the owner or owners of the said tracts of land shall be prohibited from the sale or disposition of any of the water furnished to their lands, as a thing independent therefrom, to any other person or persons, or corporations whatever, under penalty of having the said lands excluded from the benefits of the irrigation system.

Section 37.—Should a potential water power be developed in connection with the construction of the irrigation system, the Commissioner of the Interior is hereby authorized to arrange for the utilization and exploitation thereof as an integral part of the said irrigation system by administration; *Provided, how-*

ever, That the rates for the sale of such power shall be approved by the Public Service Commission of Porto Rico.

All profits accruing from said power shall be covered into the Isabela Irrigation Fund and applied subject to the provisions hereinbefore provided (Sections 24 and 29), to the decrease of annual assessments until all indebtedness incurred on behalf of the irrigation system has been fully paid; but the right and title of ownership to such water power shall remain in the Insular Government, and the income from said work, after all indebtedness has been paid, shall be covered into the Insular Treasury as Insular revenues, until otherwise provided by the Legislative Assembly.

Section 39.—If there shall be in the Isabela Irrigation Fund an insufficient amount to pay for principal, interest or other charges payable out of the said fund, or if this fund shall at any time become temporarily exhausted, then the Treasurer of Porto Rico may, in anticipation of the collection of assessments from either the temporary or the permanent irrigation district, or in anticipation of the sale of bonds which shall have been previously authorized by legislative enactment on account of the irrigation system provided herein, pay such charges out of any funds in the Treasury not otherwise appropriated, charging the same to the Isabela Irrigation Fund, and repaying the same out of said fund when there is a sufficient amount therefor, together with interest at four (4) per cent per annum.

Section 40.—In the event that there remain in the Isabela Irrigation Fund any of the proceeds of the sale of the bonds for the irrigation system over and above the amount required for the completion of the construction thereof, and for such other purposes, for which bonds may be issued hereunder or under the act or acts authorizing the issue of bonds on account of the irrigation system, such surplus proceeds shall be used for the payment of the principal falling due upon outstanding irrigation bonds at such time as the Treasurer of Porto Rico, with the approval of the Governor, shall determine, or in the event that all such bonds shall have been retired, then for such other

purposes connected with the irrigation system as the Governor may determine.

Section 41.—That all laws and parts of laws in conflict with this Act, be, and the same are hereby, repealed.

Section 42.—That this Act shall be known as "The Isabela Public Irrigation Law" and shall take effect ninety days after its approval.

Act No. 61, approved July 21, 1923; Laws of 1923, pp. 402-406.

AN ACT

To amend Sections 1 and 4 of "An Act to authorize the issuance by the Insular Government of Porto Rico of bonds for an amount not to exceed three million (3,000,000) dollars, and for other purposes," approved June 18, 1919.

Be it enacted by the Legislature of Porto Rico:

Section 1.—That sections 1 and 4 of Act No. 59, approved June 18, 1919, entitled "An Act to authorize the issuance by the Government of Porto Rico of bonds for an amount not to exceed three million (3,000,000) dollars and for other purposes," are hereby amended to read as follows:

"Section 1.—For the purpose of providing funds sufficient for the construction of a system of irrigation in Porto Rico for the district lying approximately between the Guajataca river on the east and the town of Aguadilla on the west, as provided for in the Act entitled 'Isabella Public Irrigation Law,' and for the purpose of advancing the funds provided by the aforesaid Act, the Treasurer of Porto Rico is hereby authorized, empowered and directed to issue bonds of The People of Porto Rico for an amount not exceeding three million three hundred and twenty-five thousand (3,325,000) dollars."

"Section 4.—The said bonds may be in coupon or registered form or both. The coupon bonds may be made exchangeable for registered bonds under such regulations as may be prescribed thereon. The bonds may be in any or all of the following denominations:

one thousand (1,000) dollars, five thousand (5,000) dollars, ten thousand (10,000) dollars. They shall bear interest at a rate not to exceed four and one-half (4½) per cent per annum, which interest shall be paid semi-annually on the first day of each of the months of January and July. The bonds shall be divided into series for payment. The series shall be indicated by a letter on each bond, and they shall be redeemable and payable as follows:

"The said bonds shall mature in the order of their issuance. Seventy-five thousand (75,000) dollars shall mature on January 1, 1929, and an equal amount on the first day of each succeeding year thereafter until the full amount shall have been paid; but any or all of said bonds maturing after January 1, 1939, may be redeemed at the option of The People of Porto Rico, on or after January 1, 1939, on any interesting-paying day, at five (5) per cent above par, and interest accrued thereon, with six months' notice, given in such manner as may be prescribed by the Treasurer of Porto Rico. In case of partial redemption the bonds to be redeemed shall be determined pursuant to such method as the Treasurer of Porto Rico may prescribe. Both principal and interest shall be payable at the Treasury of the United States or in Porto Rico at the office of the Treasury of Porto Rico, or at the office of the fiscal agent of the Government of Porto Rico, appointed therefor in the United States, as the Treasurer of Porto Rico may determine, with the approval of the Governor, in gold coin of the United States of the present standard of weight and fineness."

Section 2.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 3.—This Act is hereby declared to be of an urgent and necessary character, and therefore it shall take effect immediately after its approval.

Joint Resolution No. 12, approved July 3, 1929; Laws of 1929, Special Session, pp. 56-72.

JOINT RESOLUTION

Repealing Section 24 and amending Section 29 of the Isabela Public Irrigation Act, approved June 19,

1919, as the same were amended by Act No. 29, approved April 21, 1928.

WHEREAS, The establishment of irrigation methods in the irrigation district of Isabela requires the expenditure of large sums of money by the landholders in order to meet the water assessments levied on them by the Isabela Public Irrigation Act, and in addition to obtain a reasonable profit in compensation for their efforts;

WHEREAS, It is advisable and necessary to stimulate the immediate agricultural development of this region by aiding the owners of irrigated lands during the first years of the operation of the irrigation system by reducing their water assessments, thus contributing to the public interests and welfare;

WHEREAS, Said reduction of the water assessments will create shortages in the receipts of the Isabela Public Irrigation System, thus preventing The People of Porto Rico from meeting its obligations contracted on account of the issue of bonds for the construction of said irrigation system, and the operation and maintenance thereof;

WHEREAS, It is necessary to provide such additional funds as may be required to pay the obligation contracted on account of said bonds and the expense of operating and maintaining the irrigation system, until such time as the receipts from water assessments and other services derived from said irrigation system are sufficient to cover all obligations and expenses;

WHEREAS, It is necessary to provide for the payment, when due, of various sums of money which the Treasurer of Porto Rico borrowed from the banks pursuant to law (chargeable to the Isabela Irrigation Fund) for the redemption of bonds due and payment of interest thereon, which loans are short-term loans;

NOW, THEREFORE, *Be it resolved by the Legislature of Porto Rico:*

Section 1.—Section 24 of the Isabela Public Irrigation Act, approved June 19, 1919, as amended by Act

No. 29, approved April 21, 1928, is hereby entirely repealed.

Section 2.—Section 29 of the Isabela Public Irrigation Act, approved June 19, 1919, as amended by Act No. 29, approved April 21, 1928, is hereby amended to read as follows:

"Section 29.—The amount that shall be assessed and levied upon a given tract of land included in the irrigation district shall be determined as follows:

"The Treasurer of Porto Rico shall calculate the amount of the interest and principal or sinking fund due upon outstanding irrigation bonds for the ensuing fiscal year, and shall add thereto the amount estimated and certified as estimated to him by the Commissioner of the Interior for the cost of operation and maintenance of the irrigation system for the said ensuing fiscal year. He shall then either add to or subtract from the amount so obtained the estimated amount of any deficit or surplus, as the case may be, resulting in connection with the Irrigation Fund by reason of the operations of the current fiscal year. From this amount he shall subtract the amount estimated and certified as estimated to him by the Commissioner of the Interior as the receipts for the ensuing fiscal year from any water power plant developed in connection with the irrigation system until such time as the total bonded indebtedness incurred on account of the irrigation system shall have been paid in full; and the amount estimated and certified as estimated to him by the Commissioner of the Interior as receipts for the ensuing fiscal year from any of the sources except from the issues of bonds and from special assessments herein provided for to be levied upon the land in the irrigation district. To the amount so determined the Treasurer shall add an amount equivalent to five (5) per centum of the total as a margin of safety for delayed collections, and the amount thus determined by the Treasurer of Porto Rico, subject to the limitations and provisions hereinafter set forth, shall be and constitute the total sum assessed for the said fiscal year, and the same shall be levied upon the lands included at the time in the irrigation district (including any lands owned by The People of Porto Rico which form part of the said district, which lands shall be liable

for and shall pay the taxes levied hereunder in the same manner as the other lands included in the said irrigation district); *Provided,* That if any portion of the principal of, and interest on, any bonds falling due in any year cannot be paid under an assessment levied according to the provisions, of this Section, then the amount which cannot so be paid and for the refunding of which provision is hereinafter made, shall not be deemed a deficit in any subsequent year; *Provided further,* That prior to the certifying by the Commissioner of the Interior of the amount thus estimated by him as receipts from the water power plant, the Commissioner of the Interior, if in his judgment it is advisable, may deduct from the amount thus estimated by him a sum not to exceed twenty-five (25) per cent of the said amount for the development and extension of the said water-power plant.

"No tract of land included in the irrigation district shall pay any tax until it shall have received or shall have been offered water from the irrigation system for a period of twelve months (said water to have been received after the inclusion of the said land in the temporary irrigation district, or if the said land is first included in the permanent irrigation district, after the said inclusion); but thereafter the said tract of land shall be liable on the regular assessment dates for the same assessments as would have been the case had all the lands in the irrigation district been assessed under the provisions of this section; *Provided,* that the said tract of land shall pay an assessment for the portion of the half year (either fiscal or calendar, as the case may be), if any, remaining after the completion of the said period of twelve months for which no assessments are paid in accordance with the foregoing provisions; and such assessment as may be due for any part of such portion of a semester shall be paid on the first day of the month following the termination of the aforesaid period of twelve months for which no assessment is paid under the foregoing provisions.

"Assessments under the foregoing provisions shall be made upon each particular tract of land in the proportion that the area of such tract of land bears to the whole number of acres included in the said irriga-

tion district. The amounts resulting from such computation, or if such amounts exceed the amount which can be assessed under the provisions hereof, then such maximum amount as may be assessed under the said provisions, shall be extended upon the tax-roll for the different tracts at the time constituting the irrigation district.

"The tax-roll so extended shall be completed by the Treasurer of Porto Rico on or before the first day of July of each year, and is hereby imposed as a lien upon the said lands (but not as a personal liability upon the owners thereof) in favor of the People of Porto Rico, and shall constitute a tax the lien of which shall be superior and prior in law to any right, claim or lien of any other nature, save and except the general taxes of Porto Rico as provided by law, and such mortgages as are referred to herein, and such assessments shall become due and the Treasurer of Porto Rico shall proceed to the collection thereof, and to the attachment and sale of the land to enforce payment, in the manner and at the time now or hereafter provided by law for the collection and enforcement of other real property taxes, except that in the case of taxes assessed for a period of less than six months, as hereinbefore provided, the said taxes shall be assessed, levied and collected as hereinbefore provided; *Provided, however,* That notwithstanding anything hereinbefore contained to the contrary, the assessment on said land shall be at the rate of six (6) dollars per acre per annum for the period, if any, between the end of the period of twelve months during which no assessment is payable, as hereinbefore provided, and the beginning of the next succeeding half year (either fiscal or calendar as the case may be).

The assessment on the said land shall be at the rate of six (6) dollars per acre per annum for the entire first fiscal or calendar year, as the case may be, after the completion of the said period of twelve months, or at the rate of twelve (12) dollars per acre per annum for the entire second fiscal or calendar year, as the case may be, following said termination of the above-mentioned period of twelve months, and at the rate of thirteen (13) dollars an acre a year for the entire third fiscal or calendar year, as the case may be.

subsequent to the said termination of the stated period of twelve months, and at the rate of fifteen (15) dollars an acre a year for the entire fourth fiscal or natural year, as the case may be, subsequent to said termination of the mentioned period of twelve months. From the fourth fiscal or calendar year, and thereafter, and after the said termination of the stated period of twelve months, the rate of assessment on said land shall never be more than fifteen (15) dollars an acre for a fiscal or calendar year, as the case may be; and for the purpose of providing for the amortization of the principal of such bonds as may fall due in the aforesaid fiscal year, for the payment of interest, operation and maintenance and of the deficit, if any, of the preceding year, and of the five per cent margin of security hereinbefore provided for, less the surplus, if any, remaining from the preceding year, and any receipts obtained from other funds, such amounts as may be necessary for such purposes shall be included, without excuse of any kind, in the regular budget of the necessary expenses to carry on the government of Porto Rico for the fiscal year immediately following the year thereof, without need of any additional legislation whatever; *Provided,* That such appropriation shall have the same privilege and preference as the payment of the principal of, and interest on, the public debt, which under the heading 'Miscellaneous Expenditures' is appropriated for in the regular budgets approved by the Insular Legislature to carry on the government of Porto Rico.

"It is further understood that the Treasurer as well as the Auditor of Porto Rico shall at all times adopt such measures as may be necessary to comply absolutely with the foregoing provisions, since, as has been said, the landholders of the Isabela Public Irrigation System can never be affected by such deficits as there may be as a consequence of the determination of the maximum assessment of fifteen dollars an acre a year fixed for landholders from and after the fourth fiscal or calendar year above stated, after the mentioned termination of said period of twelve months, as the case may be; *Provided, further,* That no assessment levied as hereinbefore provided, shall be paid on any tract of land which, prior to the date of payment of

said tax, has received or been offered water from the irrigation system for more than one entire fiscal year, unless the said tract of land shall have received or shall have been offered water from the Irrigation System during the preceding fiscal year, as shown by the records of the Irrigation Service, to the amount of at least one acre-foot per acre, during the first six months of said fiscal year, and at least one acre-foot per acre during the second six months; *Provided, further,* That when, in the above case, the said assessment is due upon the first of July terminating the fiscal year to which the above rule is to be applied, then the said land shall pay the said assessment as if it had received or had been offered water from the irrigation system during the first six months of the said fiscal year to the amount of at least one acre-foot per acre; *Provided, further,* That no assessment levied as above provided, shall be paid on any tract of land which prior to the date of payment of the said tax, has not received water, or has been offered water from the Irrigation System for more than one entire fiscal year, unless the said tract of land shall have received or shall have been offered water from the Irrigation System, as shown by the records of the Irrigation Service, to the amount of at least one acre-foot per acre, during the next preceding half-year (either calendar or fiscal, as the case may be) ending more than one month prior to the date of the said payment; *Provided, however,* That the foregoing exemptions from the payment of taxes, conditioned upon the receipt of a certain amount of water by the holders of irrigated land, or on the offer of water made to them for land in the irrigation district, shall cease to be operative and effective at such time after the beginning of the permanent irrigation district as the Commissioner of the Interior shall certify to the Treasurer of Porto Rico that each and every fundamental integral part of the said irrigation system has been constructed; *Provided,* That any person, natural or artificial, of whatever character the latter may be, who shall hereafter acquire the possession under title of ownership, or ownership of more than five hundred (500) acres of land in the irrigation district hereby created, shall be subject to the payment of double the amount of the assessment fixed in this

Act for the irrigation service to be furnished, on the amount of acres exceeding the said five hundred (500) acres.

It is understood that the assessment-roll extended as provided in this section shall constitute a tax the lien for which shall be paramount and preferent in law to any other right, claim or lien, except the general taxes of Porto Rico, as provided by law, and except also such mortgages as may be created for a term of eighteen years or more, payable by fixed annual installments, provided said mortgages are constituted at a rate of not to exceed six per cent (6%) annually, and for any of the following purposes:

(*a*) For permanent improvements in the properties;

(*b*) For the purchase of fertilizer, seeds, cattle, or agricultural implements;

(*c*) For the cancellation of mortgages or the payment of debts contracted for agricultural purposes; and provided that their object is to permit the landholders of the irrigation district to avail themselves as far as possible of the advantages offered them by the irrigation system; it being understood that such encumbrance shall not be in excess of one hundred (100) dollars of principal for each *cuerda.*"

Section 3.—For the purpose of providing funds for the payment of principal of, and interest on, the bonds already issued and sold for the construction of the irrigation system, as well as for the operation and maintenance of said system until such time as the funds necessary for these purposes are produced by such assessments as may be levied on irrigated lands, as hereinbefore provided, and by the proceeds of other receipts, derived from said system, the Treasurer of Porto Rico is hereby authorized, empowered and directed to issue bonds of The People of Porto Rico to the amount of one million, two hundred and fifty thousand (1,250,000) dollars, or such part thereof as may be necessary.

Section 4.—Said bonds shall be sold on such terms as may be most favorable to The People of Porto Rico and shall be issued in series so that the proceeds of the

sale thereof may be available on the dates and in the amounts stated below:

$750,000 on January 1, 1930.
150,000 on January 1, 1931.
150,000 on January 1, 1932.
100,000 on January 1, 1933.
100,000 on January 1, 1934.

Section 5.—Said bonds may be in coupon or registered form, or both. The coupon bonds may be made exchangeable for registered bonds under such regulations as may be prescribed therein. The bonds may be of any or all of the following denominations: one thousand (1,000) dollars; five thousand (5,000) dollars, and ten thousand (10,000) dollars. They shall bear interest at a rate of not to exceed five (5) per cent a year, payable semi-annually on the first day of January and the first day of July of each year. Said bonds shall be divided into series for the purpose of redemption, the series to be indicated by a letter on each bond, and they shall be redeemable in the order of issue as follows:

Five thousand (5,000) dollars on July 1, 1952.
Five thousand (5,000) dollars on July 1, 1953.
Ten thousand (10,000) dollars on July 1, 1954.
Fifteen thousand (15,000) dollars on July 1, 1955.
Twenty thousand (20,000) dollars on July 1, 1956.
Twenty thousand (20,000) dollars on July 1, 1957.
Twenty-five thousand (25,000) dollars on July 1, 1958.
Thirty thousand (30,000) dollars on July 1, 1959.
Thirty-five thousand (35,000) dollars on July 1, 1960.
Forty thousand (40,000) dollars on July 1, 1961.
Forty-five thousand (45,000) dollars on July 1, 1962.
Fifty thousand (50,000) dollars on July 1, 1963.
Fifty-five thousand (55,000) dollars on July 1, 1964.
Sixty-five thousand (65,000) dollars on July 1, 1965.
Seventy thousand (70,000) dollars on July 1, 1966.
Seventy-five thousand (75,000) dollars on July 1, 1967.
Eighty-five thousand (85,000) dollars on July 1, 1968.
Ninety thousand (90,000) dollars on July 1, 1969.
One hundred thousand (100,000) dollars on July 1, 1970.
One hundred and ten thousand (110,000) dollars on July 1, 1971.

One hundred and twenty thousand (120,000) dollars on July 1, 1972.

One hundred and eighty thousand (180,000) dollars on July 1, 1973.

The principal of, as well as the interest on, said bonds shall be payable, as determined by the Treasurer of Porto Rico, at the Treasury of the United States or in Porto Rico, at the office of the Treasurer of Porto Rico or at the office of such fiscal agent of the government of Porto Rico as may be appointed for the purpose in the United States by the Treasurer of Porto Rico, with the approval of the Governor, in gold coin of the United States of the present standard of weight and fineness.

Section 6.—Said bonds may be sold by the Secretary of War of the United States, or by the Treasurer of Porto Rico, or by any fiscal agent appointed for the purpose by the Treasurer of Porto Rico, with the approval of the Governor of Porto Rico, on such terms as may be most favorable to The People of Porto Rico and as soon after the date of issue as may be feasible. The proceeds of the sale of such bonds shall be deposited with an authorized depositary of the government of Porto Rico to be designated by the Treasurer of Porto Rico.

The Treasurer of Porto Rico, with the approval of the Governor, shall have absolute charge and authority, under the limitations herein prescribed, in connection with all matters relative to said bonds, including the terms and denominations thereof, the manner, time and method of issue and sale, subject to the limitations herein prescribed, and shall adopt all such measures as may be necessary fully to perform the purposes of this Act, and he may take all necessary action for the issue of interim bonds or certificates, pending preparation of the final bonds.

Section 7.—Pursuant to the provisions of section 3 of "An Act to provide a civil government for Porto Rico, and for other purposes", approved March 2, 1917, the bonds the issue of which is hereby authorized, shall be exempt from taxation by the Government of the United States or by the Government of Porto Rico, or any political sub-division or municipality thereof, or by any state, county, municipality or other municipal sub-division of any state or territory of the United States, or by the District of Columbia.

Section 8.—The proceeds of the sale of said bonds shall be devoted to the payment of principal of, and interest on, the bonds heretofore issued and sold for the construction of the irrigation system and for the operation and maintenance of said system until the funds necessary for these purposes are produce by such assessments as may be levied, as hereinbefore provided.

Section 9.—The good faith of The People of Porto Rico is hereby irrevocably pledged for the payment of the principal of, and interest on, the aforesaid bonds; and all such funds as may be collected by reason of taxes levied under section 29 of the Isabela Irrigation Act, as hereby amended, shall be devoted, and are hereby irrevocably pledged to secure payment of the principal of, and interest on, the aforesaid bonds.

The foregoing provisions in regard to the payment of interest on said bonds, and the repayment of the principal, shall be deemed to be in the nature of a continuous appropriation, and be sufficient authorization to the Treasurer of Porto Rico to make such payments, and no further appropriation for such purpose shall be required. Such payments, however, shall be made upon the warrants of the Auditor of Porto Rico, countersigned by the Governor of Porto Rico, in accordance with law. The bonds issued under the authority of this Act, and the obligations created hereby, shall not be impaired by any subsequent act or resolution of the Legislature of Porto Rico or by any interpretation of any act or resolution heretofore approved, but said bonds, when duly issued and sold, shall constitute a legal and binding obligation of the Government of Porto Rico until properly redeemed and paid.

Section 10.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 11.—It is hereby declared that an emergency exists requiring the immediate taking effect of this Act, and therefore, it shall take effect immediately after its approval.

Act No. 70, approved May 15, 1934; Laws of 1934, pp. 476-490.

AN ACT

To amend Sections 23 and 29 of the "Isabela Public Irrigation Law", approved June 19, 1919, as

amended by Act No. 29, approved April 21, 1928, by Joint Resolution No. 12, approved July 3, 1929, by Act No. 24, approved April 22, 1930, and by Act No. 96, approved May 15, 1931; To add three new sections to said "Isabela Public Irrigation Law" to be known as Sections 29A, 29B and 29C, and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—Sections 23 and 29 of the "Isabela Public Irrigation Law", approved June 19, 1919, as amended by Act No. 29, approved April 21, 1928; by Joint Resolution No. 12, approved July 3, 1929; by Act No. 24, approved April 22, 1930, and by Act No. 96, approved May 15, 1931, are hereby amended to read as follows:

"Section 23.—During the life of the provisional irrigation district, the Irrigation Commission is hereby empowered to modify the geographical boundaries of said provisional district so as to include therein new irrigable lands. In such case the provisions of section 20 of the Isabela Public Irrigation Law shall be complied with; *Provided*, That the Irrigation Commission shall proceed, as soon as this Act takes effect, to exclude from the provisional irrigation district all tracts of land which on account of their nature are inadequate to be cultivated under irrigation, whenever their owners so prove before the Commission by expert evidence prior to June 30, 1939.

"The said temporary irrigation district, as hereinbefore provided, shall continue in existence until June 30, 1937."

"Section 29.—The amount that shall be assessed and levied upon a given tract of land included in the irrigation district shall be determined as follows:

"The Treasurer of Puerto Rico shall calculate the amount of the interest and principal or sinking fund due upon outstanding irrigation bonds for the ensuing fiscal year, and shall add thereto the amount estimated and certified as estimated to him by the Commissioner of the Interior for the cost of operation and maintenance of the irrigation system for the said ensuing fiscal year. He shall then either add to or subtract from the amount so obtained the estimated amount of any deficit or surplus, as the case may be, resulting in connection

with the Irrigation Fund by reason of the operations of the current fiscal year. From this amount he shall subtract the amount estimated and certified to him by the Commissioner of the Interior as the receipts for the ensuing fiscal year from any water power plant developed in connection with the irrigation system (until such time as the total bonded indebtedness incurred on account of the irrigation system shall have been paid in full); and the amount estimated and certified as estimated to him by the Commissioner of the Interior as receipts for the ensuing fiscal year from any of the sources except from the issues of bonds and from special assessments herein provided for to be levied upon the land in the irrigation district. To the amount so determined the Treasurer shall add an amount equivalent to five (5) per centum of the total as a margin of safety for delay collections, and the amount thus determined by the Treasurer of Puerto Rico, subject to the limitations and provisions hereinafter set forth, shall be and constitute the total sum assessed for the said fiscal year, and the same shall be levied upon the lands included at the time in the irrigation district (including any lands owned by The People of Puerto Rico which form part of the said district, which lands shall be liable for and shall pay the taxes levied hereunder in the same manner as the other lands included in the said irrigation district); *Provided,* That if any portion of the principal of, and interest on, any bonds falling due in any year cannot be paid under an assessment levied according to the provisions of this section, then the amount which cannot so be paid and for the refunding of which provision is hereinafter made, shall not be deemed a deficit in any subsequent year; *Provided, further,* That prior to the certifying by the Commissioner of the Interior of the amount thus estimated by him as receipts from the water-power-plant, the Commissioner of the Interior, if in his judgment it is advisable, may deduct from the amount thus estimated by him a sum not to exceed twenty-five (25) per cent of the said amount for the development and extension of the said water-power plant.

"No tract of land included in the irrigation district shall pay any tax until it shall have received or shall have been offered water from the irrigation system, for

a period of twelve months (said water to have been received after the inclusion of the said land in the temporary irrigation district or, if the said land is first included in the permanent irrigation district after the said inclusion); but thereafter the said tract of land shall be liable on the regular assessment dates for the same taxes as would have been the case had all the lands in the irrigation district been assessed under the provisions of this section; *Provided*, That the said tract of land shall pay a tax for the portion of the half year (either fiscal or calendar, as the case may be), if any, remaining after the completion of the said period of twelve months for which no assessments are paid in accordance with the foregoing provisions; and such assessment as may be due for any part of such portion of a semester shall be paid on the first day of the month following the termination of the aforesaid period of twelve months for which no assessment is paid under the foregoing provisions.

"Assessments under the foregoing provisions shall be made upon each particular tract of land in the proportion that the area of such tract of land bears to the whole number of acres included in the said irrigation. The amounts resulting from such computation, or if such amounts exceed the amount which can be assessed under the provisions hereof, then such maximum amount as may be assessed under the said provisions, shall be extended upon the tax-roll for the different tracts at the time constituting the irrigation district.

"The tax-roll so extended shall be completed by the Treasurer of Puerto Rico on or before the first day of July of each year, and is hereby imposed as a lien upon the said lands (but not as a personal liability upon the owners thereof) in favor of The People of Puerto Rico, and shall constitute a tax the lien of which shall be superior and prior in law to any right, claim or lien of any other nature, save and except the general taxes of Puerto Rico as provided by law, and such mortgages as are referred to herein, (as well as crop-loan credits constituted by credit associations or cooperatives at present organized or which may be organized hereafter within the irrigation district,) and such assessments shall become due and the Treasurer of Puerto Rico shall proceed to the collection thereof, and to the attachment and sale of the land to enforce payment, in

the manner and at the time now or hereafter provided by law for the collection and enforcement of other real property taxes; *Provided,* That the Treasurer of Puerto Rico is hereby empowered to attach all or part of the real property of the irrigable zone in order to enforce the collection of the assessments hereby levied; *Provided, further,* That he can never attach real property of the irrigable zone when such property, after all charges or encumbrances thereon have been deducted, has a value, for the purposes of taxation, of more than double the amount due, except that in the case of taxes assessed for a period of less than six months as hereinbefore provided, the said taxes shall be assessed, levied and collected as hereinbefore provided; *Provided, however,* That notwithstanding anything hereinbefore contained to the contrary, the assessment on said land shall be at the rate of six (6) dollars an acre a year for the period, if any, between the end of the period of twelve months during which no assessments is payable, as hereinbefore provided, and the beginning of the next succeeding half year (either fiscal or calendar, as the case may be). The assessment on the said land shall be at the rate of six (6) dollars an acre a year for the entire first fiscal or calendar year, as the case may be, after the completion of the said period of twelve months, and at the rate of six (6) dollars an acre a year for the entire second fiscal or calendar year, as the case may be following said termination of the above-mentioned period of twelve months, and at the rate of seven (7) dollars an acre a year for the entire third fiscal or calendar year, as the case may be, subsequent to the said termination of the stated period of twelve months, and at the rate of eight (8) dollars an acre a year for the entire fourth fiscal or calendar year, as the case may be, subsequent to said termination of the mentioned period of twelve months, and at the rate of nine (9) dollars an acre a year for the entire fifth fiscal or calendar year, as the case may be, after the said termination of the mentioned period of twelve months, and at the rate of six (6) dollars an acre a year for the entire sixth, seventh, eighth, ninth and tenth fiscal or calendar years, as the case may be, after the termination of the said period of twelve months. The assessment on the said land shall be at the rate of ten (10) dollars an acre a year for the entire eleventh fiscal or calendar year, as the case may

be, after the completion of the said period of twelve (12) months, and at the rate of eleven (11) dollars an acre a year for the entire twelfth fiscal or calendar year, as the case may be, after the completion of the said period of twelve (12) months, and at a rate of twelve (12) dollars an acre a year for the entire thirteenth fiscal or calendar year, as the case may be, after the completion of the said period of twelve (12) months, and at a rate of thirteen (13) dollars an acre a year for the entire fourteenth fiscal or calendar year, as the case may be, after the completion of the said period of twelve (12) months, and at the rate of fourteen (14) dollars an acre a year for the entire fifteenth fiscal or calendar year, as the case may be, after the completion of the said period of twelve (12) months. From the sixteenth fiscal or calendar year, and thereafter, and after the said termination of the stated period of twelve months, the rate of assessment on said land shall never be more than fifteen (15) dollars an acre for a fiscal or calendar year, as the case may be; and for the purpose of providing for the amortization of the principal of such bonds as may fall due in any fiscal year, for the payment of interest, operation and maintenance and of the deficit, if any, of the preceding year, and of the five per cent margin of security hereinbefore provided for, less the surplus, if any, remaining from the preceding year, and any receipts from other sources, as provided, the legislature shall annually provide such amounts as may be necessary for such purposes, in such form and manner as it may deem advisable; *Provided, however,* That no assessment levied as hereinbefore provided, shall be paid on any tract of land which, prior to the date of payment of said tax, has received or been offered water from the irrigation system for more than one entire fiscal year, unless the said tract of land shall have received or shall have been offered water from the Irrigation System during the preceding fiscal year, as shown by the records of the Irrigation Service, to the amount of at least two acre-feet per acre, during the first six months of said fiscal year, and at least two acre-feet per acre during the second six months; *Provided, further,* That when, in the above case, the said assessment is due upon the first of July terminating the fiscal year to which the above rule is to be applied, then the said land shall pay the said assessment as if it had re-

ceived or had been offered water from the irrigation system during the first six months of the said fiscal year to the amount of at least two acre-feet per acre; *Provided, further,* That no assessment levied as above provided shall be paid on any tract of land prior to the date of payment of the said tax, has not received water or has been offered water from the Irrigation System for more than one entire fiscal year, unless the said tract of land shall have received or shall have been offered water from the Irrigation System, as shown by the records of the Irrigation Service, to the amount of at east two acre-feet per acre, during the next preceding half-year (either calendar or fiscal, as the case may be) ending more than one month prior to the date of the said payment; *Provided, further, however,* That the foregoing exemptions from the payment of taxes, conditioned upon the receipt of a certain amount of water by the holders of irrigated land, or on the offer of water made to them for land in the irrigation district shall cease to be operative and effective at such times after the beginning of the permanent irrigation district as the Commissioner of the Interior shall certify to the Treasurer of Puerto Rico that each and every fundamental integral part of the said irrigation system has been constructed.

"It is understood that the assessment-roll extended as provided in this section shall constitute a tax the lien for which shall be paramount and preferent in law to any other right, claim or lien, except the general taxes of Puerto Rico, as provided by law, except crop-loan credits constituted by credit associations or cooperatives at present organized or which may be organized hereafter within the irrigation district, and except also such mortgages as may be constituted for a term of eighteen years or more, payable in fixed annual instalments, provided said mortgages are constituted at a rate of not to exceed six and one-half (6½) per cent annually, and for any of the following purposes:

"(*a*) For permanent improvements in the properties;

"(*b*) For the purchase of fertilizer, seeds, cattle or agricultural implements;

"(*c*) For the cancellation of mortgages or the payment of debts contracted for agricultural purposes; and provided that their object is to permit the landholders

of the irrigation district to avail themselves as far as possible of the advantages offered them by the irrigation system; it being understood that such encumbrances shall not be in excess of one hundred (100) dollars of principal for each *cuerda.*"

Section 2.—Two new sections are hereby added to the "Isabela Public Irrigation Law", to be numbered 29 A and 29 B which shall read as follows:

"Section 29 A.—It is hereby deferred, and the Treasurer is authorized to defer, the collection of due and pending taxes on June 30, 1934; *Provided,* That said deferred taxes shall be paid within a period of twenty-five (25) years beginning from July 1, 1934, in twenty-five equal parts, under the conditions and within the limitations prescribed by Act No. 10, approved August 19, 1933, to defer the payment of taxes on real property, in so far as the provisions of the aforementioned Act are not in conflict herewith; *Provided, further,* That the irrigation taxes due and pending collection on June 30, 1934, as are hereby deferred shall constitute a current debt of the holders of irrigated lands in favor of the Treasury of Puerto Rico, the amount of which shall not enjoy the preference established by law in favor of every due and unpaid irrigation tax."

"Section 29 B.—The Treasurer of Puerto Rico is authorized to deduct and cancel from the amount of every receipt ten (10) per centum thereof as a reward for the prompt payment, at their respective maturity dates, of the taxes levied from and after July 1, 1934, and during the ten (10) following years. For the purposes of this Section it shall be understood that a tax has been promptly paid when the amount of every semester receipt has been paid within the sixty (60) days following the issuance of said receipt, as well as within the sixty (60) days the corresponding part of the deferred taxes under this Act has been paid."

"Section 29 C.—In case of sale or foreclosure of the irrigated lands to which this Act refers, and which are benefited by the deferment prescribed by the foregoing Section 29 A, it shall be the duty of the purchaser or of the grantee to pay the taxes owed by said lands; *Provided,* That no transfer of said lands to any absent or resident corporation shall be made or recorded in the registry of property without previously showing that the taxes due and pending collection have been paid, in

which case the prescribed deferment shall not be effective."

Section 3.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 4.—This Act, being of an urgent and necessary character, shall take effect immediately after its approval.

Act No. 78, approved May 12, 1936; Laws of 1936, pp. 422-426.

AN ACT

To suspend, until June 30, 1941, Section 29 of the Isabela Public Irrigation Law, approved June 19, 1919, as amended by Act No. 29, of April 21, 1928, Joint Resolution No. 12, of July 3, 1929, Act No. 96, of May 15, 1931, and Act No. 70, of May 15, 1934, in so far as it refers to the fixing of taxes; To suspend in their entirety until the same date, Sections 33 and 34 of the said Isabela Public Irrigation Law, as now in force; To levy a tax or quota for each acre of land now included in the temporary irrigation district, or which may hereafter be included in the permanent irrigation district of said irrigation system, while the suspension of Sections 29, 33, and 34 of said law subsists; To fix prices and conditions for the sale of water from the Isabela Irrigation system during the effectiveness of this Act; To determine the manner of paying for the water sold to water users, and for other purposes.

Be it enacted by the Legislature of Porto Rico:

Section 1.—In order to promote the quickest development of the temporary irrigation district of Isabela, Aguadilla, and Moca, and to alleviate the precarious condition of the water users of said district during the present economic crisis, section 29 of the Isabela Public Irrigation Law, approved June 19, 1919, as amended by Act No. 29 of April 21, 1928; Joint Resolution No. 12, of July 3, 1929, Act No. 96, of May 15, 1931, and Act No. 70, of May 15, 1934, is hereby suspended until June 30, 1941, only in so far as it refers to the fixing of irrigation taxes, but is left subsistent in all other respects; and sections 33 and 34 of the aforesaid Isabela Public Irrigation Law, approved June 19, 1919, as amended by Act No. 29, of

April 21, 1928; Joint Resolution No. 12, of July 3, 1929; Act No. 96 of May 15, 1931, and Act No. 70 of May 15, 1934; are hereby suspended until June 30, 1941.

Section 2.—Sections 29, 33, and 34 of the aforesaid Isabela Public Irrigation Law, as now in force, shall be in full force and effect in their entirety on July 1, 1941, unless otherwise provided by legislative action.

Section 3.—Partly to preserve the fundamental principle of the original Isabela Public Irrigation Law, the Treasurer of Puerto Rico is directed to levy and collect, from and after July 1, 1936, and until June 30, 1941, unless otherwise provided by legislative action, a tax or quota of one (1) dollar on each acre of land which may have been or may be included in the temporary district, or which may be included hereafter in the permanent irrigation district, of said Irrigation System; *Provided,* That said tax or quota shall be fixed and levied to protect the rights of the lands included to enjoy the service of water in the manner hereinafter provided. Said tax or quota is hereby levied as a charge on the said lands (although not as a personal responsibility of the owners thereof) in favor of The People of Puerto Rico, and shall constitute a tax the lien of which shall be superior and prior in law to any right, claim, or lien of any nature save and except the general taxes of Puerto Rico, as provided by law, which taxes shall mature and the Treasurer of Puerto Rico shall proceed to their collection and to the attachment and sale of the land in order to compel the payment in the manner and on the date now or hereafter provided by law for the collection, and to compel the payment of other taxes on real property.

Section 4.—During all the time in which this Act is to be in force, the Commissioner of the Interior is hereby empowered to sell water from the irrigation system to the land-holders of the irrigation district, for the exclusive purpose of applying the water to the lands for the intensification of their cultivation, in accordance with the following prices and conditions;

For each acre-foot or fraction thereof delivered to any parcel of land included in the temporary district or in the permanent irrigation district, through a

gravity system of canals and laterals, at the rate of two (2) dollars an acre-foot.

For each acre-foot or fraction thereof delivered to parcels not included in the temporary district or in the permanent irrigation district, through a gravity system of canals and laterals, at the rate of two dollars and fifty cents ($2.50) an acre-foot.

For each acre-foot or fraction thereof delivered to any parcel in the irrigation district where it is necessary to make accessory installations for pumping stations, a price shall be collected in addition to the foregoing, at the rate of one (1) cent for each acre-foot for each foot in the difference of elevation between the point of intake and the point of discharge of the pumping station.

Section 5.—The Commissioner of the Interior is authorized to prescribe such rules and regulations as may be necessary for the sale of water; *Provided,* That the payments to be made for such reason shall be made in advance of the furnishing of water; *Provided, further,* That water shall not be delivered to any parcel on which the tax levied in accordance with section 3 of this Act has not been paid, with the exception of the price fixed for water delivered to parcels not included within the irrigation district.

Section 6.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 7.—This Act shall take effect ninety days after its approval.

Act. No. 126, approved May 14, 1937; Laws of 1937, pp. 284-286.

AN ACT

To amend Section 2 of Act No. 59, approved June 18, 1919, entitled "An Act to authorize the issuance by the Insular Government of Porto Rico of bonds for an amount not exceeding three million (3,000,000) dollars, and for other purposes," as amended by Act No. 29, approved May 1, 1934, and Act No. 31, approved July 20, 1935; To ratify and confirm the legality of the issue of bonds made by virtue of Act No. 28, entitled "An Act to authorize the issuing

of bonds for the purposes of constructing houses for artisans and laborers, provide for the leasing of the same, with a certain right to the ownership thereof, improve the sanitary conditions of certain lands of the People of Porto Rico; Promote the creation of farms to be leased to farm laborers and to grant them title thereto, and for other purposes," approved November 27, 1917, and for other purposes.

Be it enacted by the Legislature of Porto Rico:

Section 1.—Section 2 of Act No. 59, approved June 18, 1919, entitled "An Act to authorize the issuance by the Insular Government of Porto Rico of bonds for an amount not exceeding three million (3,000,000) dollars, and for other purposes," as amended by Act No. 29, of May 1, 1934, and Act No. 31, of July 20, 1935, is hereby amended to read as follows:

"Section 2.—Should the proceeds of the special assessment as provided for in the Act above mentioned (Section 29), be insufficient in any year to meet the entire amount of the payment of the principal on outstanding bonds falling due that year in addition to the other necessary payments, as provided in the aforesaid Act, then the Treasurer of Puerto Rico may, with the approval of the Governor, issue new refunding bonds to the amount necessary to pay the principal falling due during the said year; *Provided,* That should no tax be paid on lands in the temporary or permanent irrigation district during any year as provided for in Sections 24 and 29 of the above-mentioned Act, or should the amount received from taxes upon the lands in the said irrigation districts be so reduced because of the operation of the said sections, as to require it, then the Treasurer of Puerto Rico may, with the approval of the Governor, issue such additional bonds as may be necessary to cover all expenses and to meet all the obligations of the irrigation system for the said year; *Provided,* That the total amount of such additional bonds issued to cover expenses and to meet obligations of the irrigation system during any year or years in which, in accordance with Sections 24 and 29 of the aforesaid Act, no tax is paid on lands

in the said irrigation districts in which the amount received from taxes is insufficient to meet the said expenses and obligations of the irrigation system, shall not at any time exceed the total amount of irrigation bonds previously authorized; *And provided, further,* That the aforesaid refunding bonds shall be issued in series which shall not exceed seventy-five thousand (75,000) dollars each, of like denominations, and under the same terms and conditions, and shall bear interest at the same rate as that provided in Section 4 of this Act. The said refunding bonds shall mature in series in the order of their issues. The first series of refunding bonds shall mature January 1, 1974, and each of the following series shall mature on the first day of January of each of the following years; but any or all of the series of refunding bonds may be redeemed, at the will of The People of Puerto Rico, ten years after the date of their issue, at five (5) per cent above par, and accrued interest, on any interest payment date, by giving sixty (60) days' notice in such manner as may be prescribed by the Treasurer of Puerto Rico. The bonds, the issuance of which is authorized in this Act, may be sold by the Secretary of the Interior of the United States."

Section 2.—It is hereby declared that the issue of bonds made by authority of Act No. 28, entitled "An Act to authorize the issuing of bonds for the purpose of constructing houses for artisans and laborers, provide for the leasing of the same, with a certain right to the ownership thereof, improve the sanitary conditions of certain lands of The People of Porto Rico; promote the creation of farms to be leased to farm laborers and to grant them title thereto, and for other purposes," approved November 27, 1917, which issue of bonds, known by the name of *Puerto Rico 4½ per cent Gold Loan of 1932, Series "A" and "B" Homestead Bonds,"* was made pursuant to the provisions of law, and by virtue thereof the legality of the same is hereby confirmed and ratified.

Section 3.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 4.—It is hereby declared that this Act is of an urgent and necessary character, and it shall, therefore, take effect immediately after its approval.

Act No. 144, approved May 15, 1937; Laws of 1937, pp. 384-385.

AN ACT

To amend Section 23 of Act No. 63, approved June 19, 1919, known as the "Isabela Public Irrigation Act," as amended by Act No. 70, approved May 15, 1934, and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—Section 23 of the "Isabela Public Irrigation Act" approved June 19, 1919, as amended by Section 1 of Act No. 70, approved May 15, 1934, is hereby amended to read as follows:

"Section 23.—During the life of the provisional irrigation district, the Irrigation Commission is hereby empowered to modify the geographical boundaries of said provisional district so as to include therein new irrigable lands. In such case the provisions of Section 20 of the Isabela Public Irrigation Act shall be complied with; *Provided,* That the Irrigation Commission shall proceed, as soon as this Act takes effect, to exclude from the provisional irrigation district all tracts of land which, on account of their nature, are unsuitable for cultivation under irrigation, whenever their owners so prove before the Commission by expert evidence prior to June 30, 1937; *Provided, further,* That the Treasurer of Puerto Rico is hereby authorized and empowered to cancel, and he shall cancel, all receipts for irrigation taxes levied up to June 30, 1937, on such parcels or part of a parcel as may be excluded by the Irrigation Commission; *It being understood,* That in case of the exclusion of only a part of any parcel, then the Treasurer of Puerto Rico is authorized and empowered to issue receipts for irrigation taxes on the parts of the parcel that remain included in the irrigation district, to substitute the receipts previously issued for the entire parcel; *It being understood, further,* That the Treasurer of Puerto Rico shall not cancel any receipts for irrigation taxes levied on any parcel or part of a parcel for the benefit of which use has been made of irrigation water, as certified by the Commissioner of the In-

terior, and which may be excluded from the irrigation district by the Irrigation Commission.

"The said temporary irrigation district, as hereinbefore provided, shall continue in existence until December 31, 1937."

Section 2.—All laws or parts of laws in conflict herewith are hereby repealed.

"Section 3.—It is declared that, as a state of emergency exists, this Act is of an urgent character and shall take effect immediately after its approval.

Act No. 146, approved May 15, 1937; Laws of 1937, pp. 387-388.

AN ACT

To readjust, making it more just and equitable, the indebtedness of the persons using water from the Isabela Public Irrigation System, for irrigation quotas levied on the land included in the irrigation district, up to June 30, 1936, and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—The Treasurer of Puerto Rico is hereby empowered and authorized to readjust, making it more just and equitable, the indebtedness of the persons using water from the Isabela Public Irrigation System, for irrigation quotas levies on the land included in the irrigation district, up to June 30, 1936, subject to the following plan:

The amount to be charged and levied on any parcel of land while it is a part of the provisional irrigation district shall be at the rate of one (1) dollar an acre, a year, for all the years that it has formed a part of said district, except that for the first year no quota shall be levied. Moreover, the Treasurer shall collect for all the water that has been received for the benefit of the land, as the Commissioner of the Interior may certify, at a rate of one (1) dollar per acre-foot; *Provided,* That three (3) dollars a year shall be collected, for *water only,* for each acre where the quantity of water received for the benefit of the land has been four acre-feet a year.

The amount of the irrigation taxes levied on the land

within the irrigation district, up to June 30, 1936, may be cancelled through the total payment of the debt so readjusted, and the Treasurer of Puerto Rico is hereby authorized and empowered to cancel, and he shall cancel, all receipts for irrigation taxes levied on on each parcel of land of the provisional irrigation district up to June 30, 1936, after having received the amount of the readjusted debt for each parcel; *Provided,* That the Treasurer of Puerto Rico is hereby authorized and empowered to deduct, and he shall deduct, from the amount of the readjusted debt for each parcel, such taxes and surcharges as may have been paid by its owners, as well as the extensions due and paid under Section 29*a* of Act No. 70, approved May 15, 1934; *It being understood,* That it shall be optional for the landowners to avail themselves of the benefits of this Act or to continue to avail themselves of the benefits of Section 29*a* of Act No. 70, approved May 15, 1934.

Section 2.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 3.—It is declared that, as a state of emergency exists, this Act is of an urgent character and shall take effect immediately after its approval.

Act No. 178, approved May 14, 1941; Laws of 1941, pp. 1062-1066.

AN ACT

To suspend until June 30, 1951, Section 29 of the Isabela Public Irrigation Act, approved June 19, 1929, as amended by Act No. 29 of April 21, 1928, by Joint Resolution No. 12 of July 3, 1929; by Act No. 96 of May 15, 1931, and by Act No. 70 of May 15, 1934, as refers to the fixing of quotas; To suspend in their entirety until the same date, Sections 33 and 34 of said Isabela Public Irrigation Act, as it is today in force; To levy a tax or quota on each acre of land at present included in the permanent irrigation district of said irrigation system, for as long as the suspension of Sections 29, 33 and 34 of the said Act subsists; To fix the prices and conditions for the sale of water from the Isabela Irrigation System during the effectivity of this Act; To

prescribe the manner of paying for the water sold to the water users, and for other purposes.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—*Statement of Motives.*—Act No. 78, approved May 12, 1936, decreed the suspension of Section 29 for a period of five (5) years, expiring June 30, 1941, only as refers to the fixing of irrigation quotas, but subsisting as to the other particulars of same, and of Sections 33 and 34 of the Isabela Public Irrigation Act, approved June 19, 1919, as amended by Act No. 29 of April 21, 1928, by Joint Resolution No. 12 of June 3, 1929, by Act No. 96 of May 15, 1931, and by Act No. 70 of May 15, 1934. Since said term of five (5) years is about to expire, the experience acquired in the meantime justifies a change in the quotas as they were established by said Act No. 78 of May 12, 1936, to fix them in harmony with the improved condition of the water users and in harmony also with the needs of the Irrigation System in order to be able to render an adequate service to said water users without incurring losses in the exploitation of the Irrigation Service proper, as has been the case in past years.

Section 2.—Section 29 of the Isabela Public Irrigation Act is hereby again suspended until June 30, 1951, as subsequently amended, only as refers to the fixing of irrigation quotas, but subsisting as to the other particulars of same; and Sections 33 and 34 of the said Isabela Public Irrigation Act, as subsequently amended, are hereby again suspended until June 30, 1951.

Section 3.—Sections 29, 33 and 34 of the said Isabela Public Irrigation Act, in the manner originally approved, that is, as approved on June 19, 1919, shall be in full force and effect from July 1, 1951, unless otherwise provided by legislative action.

Section 4.—To preserve in part the principal basis of the original Act of the Isabela Public Irrigation Act, the Treasurer of Puerto Rico is directed to levy and collect, beginning July 1, 1941, and until June 30, 1951, unless otherwise provided by legislative action, a tax or quota on each acre of land included in the Permanent Irrigation District of said Irrigation System according to the following schedule of quotas and allotments of water:

For the first ten (10) acres, at the rate of one dollar per acre per year without any allotment of water; it being understood, that said quota of one dollar is fixed and is levied to insure the right of the lands included in the Permanent District to enjoy the service of water in the manner hereinafter provided.

For all the acres in excess of the first ten (10) at the rate of four (4) dollars per acre per year, which shall be understood to cover a fixed quota of one (1) dollar per acre per year to insure the right of the land to enjoy the service of water, and three (3) dollars as value of an allotment of water of one and one-half (1½) acre-feet per acre per year with the right, if necessary, to purchase water in excess of the allotment, in the manner hereinafter provided.

Said tax or quota fixed according to the preceding schedule is hereby levied as a lien on all of the lands mentioned (although not as a personal liability of the owners of same) in behalf of The People of Puerto Rico, and shall constitute a tax liability which shall be superior and prior by law to any right, claim or liability of any kind, save and except the general taxes of Puerto Rico, as provided by law, which quotas shall be due, and the Treasurer of Puerto Rico shall proceed to collect them, and to attach and sell the land to compel payment, in the manner and on the date as is now provided or as may hereafter be provided by law for collecting and compelling the payment of other taxes on real property.

Section 5.—The Commissioner of the Interior is hereby authorized to sell, during all the times that this law is in force, to the land-owners of the irrigation districts, water from the Irrigation System, for the exclusive purpose of applying it to the lands for the intensification of plantations, in accordance with the following prices and conditions:

For each acre-foot or fraction thereof of water delivered to any parcel included in the Permanent District, that has paid the tax or the quota fixed in Section 4 of this Act, at the rate of two (2) dollars per acre-foot.

For each acre-foot or fraction thereof of water delivered to any parcel included in the Permanent District, which has not paid the total amount fixed in Section 4 of this Act for the semester corresponding

to the date when the application is made to purchase water, at the rate of $2.50 per acre-foot; *Provided,* That water shall not be delivered to any parcel which, on the date when the application for the purchase of water is made, appears in debt for a period of over two semesters.

Section 6.—The Commissioner of the Interior is hereby authorized to prescribe the rules and regulations that may be necessary for the sale and delivery of water; *Provided,* That payments by reason of said sale shall be in advance of the delivery of the water.

Section 7.—All laws or parts of laws in conflict herewith are hereby repealed.

Section 8.—This Act shall take effect on July 1, 1941, since on June 30, 1941 expires the term fixed by Act No. 78 of May 12, 1936.